

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
**DIVISION OF COMMUNITY AFFAIRS**  
**HOME Investment Partnerships Program**

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**HOME****MANAGEMENT MEMORANDUM**

HOME Investment Partnerships Program

Memorandum Number: 02-04

December 17, 2002

**To:** All interested parties

**From:** Wayne Walker, Section Chief  
HOME Investment Partnership Program

**Re:** Milestone Forbearance of HOME Grants for Housing Rehabilitation for 1999 and 2000

The State of California's Department of Housing and Community Development HOME Investment Partnerships Program (HOME) has been made aware of the impact that Senate Bill 975 (SB 975), the state prevailing wage law, continues to have on rehabilitation programs ability to meet milestone deadlines. In response to SB 975, a new law, Senate Bill 972 (Chapter 1048), which excludes certain housing programs from the state prevailing wage requirements, was adopted by the State Legislature and becomes effective January 1, 2003.

For these reasons, the State HOME program will provide forbearance in meeting milestone deadlines for Rental and Owner-Occupied Housing Rehabilitation programs on 1999 and 2000 contracts (i.e. 99-HOME and 00-HOME). Thus, 1999 housing rehabilitation contractors will not be required to meet expenditure milestones, including the final deadline August 31, 2003. Similarly, 2000 housing rehabilitation contractors' will not be required to meet expenditure milestones, except the final deadline April 30, 2004. Please see table below to identify how the policy applies to each milestone.

<b>Contract</b>	<b>1<sup>st</sup> Milestone</b>	<b>2<sup>nd</sup> Milestone</b>	<b>3<sup>rd</sup> Milestone</b>	<b>4<sup>th</sup> Milestone</b>	<b>5<sup>th</sup> Milestone</b>
<b>99-HOME</b>	Waived	Waived	Waived	Waived	Waived, but any unexpended funds will be lost.
<b>00-HOME</b>	Waived	Waived	Waived	Waived	<b><u>Not Waived</u></b> , Contractors penalized 50 points if missed.

The forbearance on 99-HOME and 00-HOME contracts will apply to the current 2002 funding round, and future applicable funding rounds, when determining who may apply for funding and during the rating and ranking process.

If you have any questions, please contact your HOME representative.